

## **MCEF Tax Policy Committee Testimony**

Re: HB 5143; Alternative Energy Systems Assessment

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Thank you, Chairman Tedder, for allowing me to speak today in SUPPORT of HB 5143.

I'm Larry Ward, executive director of the Michigan Conservative Energy Forum (MCEF).

Since 2013, MCEF has existed as the conservative voice for energy policy in Michigan.

Our organization is comprised of conservatives who believe that we should adopt a true "All of the Above" approach to energy policy that emphasizes clean, renewable energy sources like solar, wind, hydro, and biomass, as well as an increase in energy efficiency.

MCEF believes encouraging diverse energy production and reducing energy waste will create jobs and stimulate Michigan's economy, reduce our reliance on foreign energy, improve our national security, and protect our valuable natural resources.

MCEF is committed to pursuing conservative policy and free market solutions that protect ratepayers and ensure affordable, clean, and abundant energy for years to come.

One of the key issues we are working on is ensuring that residential customers have fair access to self-generation of renewable technologies.

Whether for economic, faith, or environmental reasons, MCEF believes that property owners have the right to decide how to power their homes and businesses.

And we believe they should not be penalized for choosing to generate their own renewable power. Especially as these clean energy distributed systems support a vibrant and competitive industry across the state, including small businesses like Mark Hagerty's Michigan Solar Solutions.

Our democratic system is built on choices. However, the current property tax code is unnecessarily limiting the right of Michiganders to choose when it comes to how much energy they use or produce.

The current state government taxation approach on alternative energy systems lacks clarity and creates confusion across our state, dis-incentivizing individuals who want to invest in clean energy installations.

The current policy framework effectively picks winners and losers among residential distributed generation customers. This is because there is no clear approach

to assessing self-generation installations – it is a patchwork across the state, where counties and cities apply personal property taxes in some areas, while other localities refrain from doing so.

We need to move toward a clear, uniform approach to property taxation to allow greater certainty, which will in turn attract investments from individuals and businesses looking to expand clean energy technologies in our state. HB 5143 will accomplish this.

Further, under current law alternative energy systems like solar panels are treated differently than other energy upgrades a homeowner could make to their property, such as installing a back-up generator system – which is exempt from personal property taxes.

HB 5143 places these upgrades all on equal footing, while seeking to clear up the inconsistencies in how local governments assess distributed energy systems, and exempts a broad range of alternative energy systems from personal property taxes.

MCEF supports Rep. Barrett's proposed HB 5143. It is a simple but beneficial change to property tax policy that will have little impact on local tax revenues, while potentially helping to improve the reliability of our electric grid as more micro-grid and distributed systems come online.

HB 5143 will also hinder government from further infringing on people's private property, instead allowing residential property owners greater control over their electricity bills and greater choice over where and how they get their energy, regardless of their zip code.

Thank you again for the opportunity to speak with you today. I welcome any questions you may have.